[Sri M. Bhaktavatsalam] [18th August 1955

who buy from the weavers and would prefer to close their factories and purchase the required goods from the weavers. If for bona fide trade reasons the factory owners reduce the strength of their factories, or close them or convert them into power-looms, the Government have no powers to interfere in the matter.''

IV.—REPORT OF THE COMMITTEE ON GOVERNMENT ASSURANCES.

DEPUTY SPEAKER :—'' Hon. Member Sri C. Kandasamy will now present the First Report of the Committee on Government Assurances.''

Sri C. KANDASAMY :—'' Mr. Deputy Speaker, Sir, I beg leave to present the First Report[a] of the Committee on Government Assurances.''

V.—GOVERNMENT BILLS.

(1) THE MADRAS DISTRICT MUNICIPALITIES (AMENDMENT) BILL, 1955.

* The Hon. Sri S. S. RAMASAMY PADAYACHI :—'' Mr. Deputy Speaker, Sir, I beg leave to introduce the Madras District Municipalities (Amendment) Bill[b], 1955, and move—

' *That the Bill be taken into consideration at once.*'

'' Under the Madras District Municipalities Act, 1920, as it stands, municipal councils may levy property tax on agricultural lands either (1) on the basis of their letting value [under section 81 (2) read with section 82 (2) of the Madras District Municipalities Act] or (2) on the basis of land revenue under section 81 (4). The levy of property tax on the basis of letting value results in arbitrary assessment and is not as satisfactory as assessment on the basis of land revenue. The levy of the tax on the basis of land revenue will also be in line with the basis of assessment of the tax on such land in non-municipal areas. But there is a difficulty. The land revenue payable in respect of land is usually much lower than its annual letting value in municipalities and so the rate of tax levied will have to be somewhat higher than the rate usually adopted for non-agricultural land or buildings based on letting value. But the adoption of different rates will be in conflict with the provisions of section 84. It is therefore proposed to amend the Madras District Municipalities Act so as—

(1) to provide for the levy by municipal councils of property tax on agricultural lands in municipalities on the basis of land revenue only and at a rate higher than that levied on buildings and other lands; and

(2) to take power to prescribe by rules the maximum rate at which the property tax may be levied on agricultural lands in municipalities.

The Bill gives effect to the proposal.''

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[a] Printed as Appendix II on pages 94-105 infra.
[b] Published in the *Fort St. George Gazette* Extraordinary, dated 7th February 1955.